



Terminal Area Study – Financial Implementation Analysis

MAA Briefing

September 27, 2022





Objectives

- Evaluate the Airport's ability to fund the Terminal Expansion/Rehabilitation Project along with other capital needs while also financing ongoing Airport operations
- This includes:
 - Matching an appropriate amount and timing of financial sources with the planned use of funds
 - Maintaining prudent year-end cash balances based on annual operating and maintenance expenses as well as debt service obligations
 - Maintaining an appropriate debt service coverage level



Overall Approach

- Review key Airport documents and interview Airport management
- Review the aviation traffic forecast developed in the Terminal Area Study
- Review preliminary cost estimates and development schedule for the Terminal Expansion/Rehabilitation Project and the entire CIP
- Determine the sources and timing of capital funds available
- Analyze historical operating revenues and expenses and develop projection assumptions
- Prepare detailed financial projection for the ten-year planning period
- Complete results of the evaluation in a Financial Plan Summary



Funding Sources

- AIP Entitlement Funds and BIL/AIG Funds – based on passenger enplanements and cargo weights
- AIP Discretionary Funds – based on priority and importance to the national air transportation system
- BIL ATP Funds – Competitive Terminal Funding program
- CARES Development Grants – CARES Act grant funds converted to a development grant for capital projects
- North Dakota Aeronautics Commission Grants – Aviation grants for eligible projects from a portion of the state aviation fuel taxes, aircraft excise taxes and aircraft registration
- Passenger Facility Charges – Up to \$4.50 per eligible enplaned passenger for specific eligible and justified projects
- Debt Proceeds – paid back through PFCs and Airport net operating funds
- Tax Levy / State Airline Carrier Tax – Continuation of the 2 MIL levy
- Cash Reserves/Net Operating Funds – funds generated from excess operating revenues over expenses.

TERMINAL AREA PROJECTS

SUMMARY OF FUNDING SOURCES AND STAKEHOLDER PARTICIPATION

Year Available	2022	2023	2024	2023	2024-2025		
Funding Sources	Apron Design	South Apron (Expansion)	North Apron (Deicing)	Terminal - Design	Terminal - Construction	Total Participation	% Part.
Federal Funds							
AIP Entitlements / AIG Funds (90%/10%)	\$ -	\$ -	\$ -	\$ 6,201,000	\$ 8,661,619	\$ 14,862,619	12.1%
AIP Discretionary (90%/10%)	720,000	8,273,425	6,982,436	-	-	15,975,861	13.0%
Airport Terminal Program (ATP) Grants (95%/5%)	-	-	-	-	20,000,000	20,000,000	16.2%
Subtotal - AIP/AIG/ATP Funds	\$ 720,000	\$ 8,273,425	\$ 6,982,436	\$ 6,201,000	\$ 28,661,619	\$ 50,838,480	41.2%
State Funds							
ND Aeronautics	\$ 40,000	\$ 459,635	\$ 387,913	\$ 344,500	\$ 4,930,631	\$ 6,162,679	5.0%
Prairie Dog Funds	-	-	-	-	-	-	0.0%
Subtotal - State Funds	\$ 40,000	\$ 459,635	\$ 387,913	\$ 344,500	\$ 4,930,631	\$ 6,162,679	5.0%
PFC Funds							
PFC Serviced Debt Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 25,000,000	\$ 25,000,000	20.3%
PFC Pay-Go Funds	-	-	-	-	3,500,000	3,500,000	2.8%
Subtotal - PFC Funds	\$ -	\$ -	\$ -	\$ -	\$ 28,500,000	\$ 28,500,000	23.1%
Airport Funds							
Airport Serviced Debt Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000	\$ 15,000,000	12.2%
Cash Reserves / Net Operating Revenues	40,000	459,635	387,913	344,500	21,520,372	22,752,420	18.5%
Subtotal - Airport Funds	\$ 40,000	\$ 459,635	\$ 387,913	\$ 344,500	\$ 36,520,372	\$ 37,752,420	30.6%
Total Terminal/Apron Capital Costs Funding	\$ 800,000	\$ 9,192,694	\$ 7,758,262	\$ 6,890,000	\$ 98,612,623	\$ 123,253,579	100.0%
Passenger Facility Charges (30 yrs, 2%, 1/1/2024):							
PFC Serviced Debt Proceeds						\$ 25,000,000	
PFC Funded Financing & Interest Costs						8,487,442	
Total PFC Debt Service						<u>\$ 33,487,442</u>	
Airport Serviced Debt (30 yrs, 2%, 1/1/2024):							
Airport Serviced Debt Proceeds						\$ 15,000,000	
Airport Funded Financing & Interest Costs						5,092,465	
Total Airport Debt Service						<u>\$ 20,092,465</u>	

ESTIMATED TERMINAL AREA PROJECT COSTS (CURRENT DOLLARS)

Terminal Area Project Components	Square Feet	Construction Costs (1)	Design Costs	Construction Admin. Costs	Subtotal Costs	Contingency Costs (2)	Total Costs	AIP/PFC Eligible	PFC Only Eligible	Ineligible
Airline Ticketing/Check-In						20%				
Airline Ticket Offices/Counters	5,983	\$1,927,800	\$182,115	\$145,611	\$2,255,526	\$385,560	\$2,641,086			\$2,641,086
Ticketing Check In Area	4,512	2,035,620	192,301	153,755	2,381,675	407,124	2,788,799	2,788,799		
Total Airline Ticketing/Check-In	10,495	\$3,963,420	\$374,416	\$299,366	\$4,637,201	\$792,684	\$5,429,885	\$2,788,799	\$0	\$2,641,086
Passenger and Baggage Screening/Security										
Security Screening Checkpoint	7,177	\$2,583,720	\$244,078	\$195,154	\$3,022,952	\$516,744	\$3,539,696	\$3,539,696		
Outbound Baggage Screening	3,225	387,000	36,559	29,231	452,790	77,400	530,190		530,190	
TSA Offices	3,918	470,160	44,415	35,512	550,087	94,032	644,119			644,119
FIS Offices	939	619,740	58,545	46,810	725,096	123,948	849,044			849,044
Total Passenger and Baggage Screening/Security	15,259	\$4,060,620	\$383,598	\$306,707	\$4,750,925	\$812,124	\$5,563,049	\$3,539,696	\$530,190	\$1,493,163
Departure Areas										
Departure Lounges	32,463	\$17,432,580	\$1,646,818	\$1,316,720	\$20,396,119	\$3,486,516	\$23,882,635	\$23,882,635		
Boarding Bridges (4 New)		5,600,000	529,020	422,980	6,552,000	1,120,000	7,672,000	7,672,000		
Public Holdroom Furniture		1,730,344	163,462	130,697	2,024,502	346,069	2,370,571	2,370,571		
Other Furniture		500,000	47,234	37,766	585,000	100,000	685,000			685,000
Total Departure Areas	32,463	\$25,262,924	\$2,386,534	\$1,908,163	\$29,557,621	\$5,052,585	\$34,610,206	\$33,925,206	\$0	\$685,000
Concessions										
Rental Car Counter/Offices	1,395	\$167,400	\$15,814	\$12,644	\$195,858	\$33,480	\$229,338			\$229,338
Concessions - Non-Public Areas	12,173	\$4,738,470	447,633	357,907	5,544,010	947,694	6,491,704			6,491,704
Total Concessions	13,568	\$4,905,870	\$463,447	\$370,551	\$5,739,868	\$981,174	\$6,721,042	\$0	\$0	\$6,721,042
Inbound Baggage Claim										
Baggage Claim	6,699	\$2,411,640	\$227,822	\$182,156	\$2,821,619	\$482,328	\$3,303,947	\$3,303,947		
Inbound Baggage	7,344	881,280	83,253	66,565	1,031,098	176,256	1,207,354		1,207,354	
Total Baggage Claim	14,043	\$3,292,920	\$311,075	\$248,721	\$3,852,716	\$658,584	\$4,511,300	\$3,303,947	\$1,207,354	\$0
Outbound Baggage and Storage										
Outbound Baggage and Storage	28,667	\$5,476,470	\$517,350	\$413,650	\$6,407,470	\$1,095,294	\$7,502,764		\$7,502,764	
Total Outbound Baggage and Storage	28,667	\$5,476,470	\$517,350	\$413,650	\$6,407,470	\$1,095,294	\$7,502,764	\$0	\$7,502,764	\$0
Other Public Areas										
Public Circulation	29,286	\$12,576,960	\$1,188,118	\$949,965	\$14,715,043	\$2,515,392	\$17,230,435	\$17,230,435		
Vertical Circulation	7,210	2,292,420	216,560	173,151	2,682,131	458,484	3,140,615	3,140,615		
Restrooms - Public	3,893	2,027,580	191,541	153,147	2,372,269	405,516	2,777,785	2,777,785		
Nursing Room	110	72,600	6,858	5,484	84,942	14,520	99,462	99,462		
Service Animal Relief Area	150	99,000	9,352	7,478	115,830	19,800	135,630	135,630		
Total Other Public Areas	40,649	\$17,068,560	\$1,612,430	\$1,289,225	\$19,970,215	\$3,413,712	\$23,383,927	\$23,383,927	\$0	\$0
Support Areas										
						Support Space Eligibility Allocation %s (Based on square footage)>>		53.2%	22.8%	24.0%
Mech/Elec/Jan/Bldg Maint Area	12,938	\$2,247,720	\$212,337	\$169,775	\$2,629,832	\$449,544	3,079,376	\$1,638,228	\$702,098	\$739,050
Airport Administration	4,067	787,380	74,382	59,473	921,235	157,476	1,078,711			1,078,711
Airport Support Facilities	10,966	1,315,920	124,312	99,394	1,539,626	263,184	1,802,810			1,802,810
Restrooms - Non-Public	302	36,240	3,424	2,737	42,401	7,248	49,649			49,649
Circulation - Non-Public	2,445	388,440	36,695	29,340	454,475	77,688	532,163			532,163
Total Support Areas	30,718	\$4,775,700	\$451,150	\$360,719	\$5,587,569	\$955,140	\$6,542,709	\$1,638,228	\$702,098	\$4,202,383
Total Terminal Building Costs	185,862	\$68,806,484	\$6,500,000	\$5,197,102	\$80,503,586	\$13,761,297	\$94,264,883	\$68,579,804	\$9,942,405	\$15,742,674
		73.0%	6.9%	5.5%		14.6%	100.0%	72.8%	10.5%	16.7%
					Total Estimated Terminal Building Cost per Square Foot =		\$507.18			
Aircraft Apron										
Airside Apron Expansion - North (Deicing)		\$5,298,860	\$354,612	\$546,194	\$6,199,666	\$1,059,772	\$7,259,438	\$7,259,438		
Airside Apron Expansion - South (Expansion)		6,655,285	445,388	686,011	7,786,683	1,331,057	9,117,740	9,117,740		
Total Aircraft Apron Costs		\$11,954,145	\$800,000	\$1,232,205	\$13,986,350	\$2,390,829	\$16,377,179	\$16,377,179	\$0	\$0
Total Terminal Area Costs		\$80,760,629	\$7,300,000	\$6,429,307	\$94,489,936	\$16,152,126	\$110,642,062	\$84,956,983	\$9,942,405	\$15,742,674
		73.0%	6.6%	5.8%		14.6%	100.0%	76.8%	9.0%	14.2%

TERMINAL AREA AND OTHER NON-TERMINAL PROJECT COSTS

CAPITAL PROJECTS ESTIMATED COSTS	Total Base Year Costs	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total Escalated Costs
<u>TERMINAL AREA PROJECT COMPONENTS</u>												
Airline Ticketing/Check-In	\$5,429,885	\$0	\$396,881	\$2,840,163	\$2,840,163	\$0	\$0	\$0	\$0	\$0	\$0	\$6,077,206
Passenger and Baggage Screening/Security	5,563,049	0	406,614	2,909,816	2,909,816	0	0	0	0	0	0	6,226,245
Departure Areas	34,610,206	0	2,529,726	18,103,259	18,103,259	0	0	0	0	0	0	38,736,244
Concessions	6,721,042	0	491,254	3,515,517	3,515,517	0	0	0	0	0	0	7,522,287
Inbound Baggage Claim	4,511,300	0	329,740	2,359,687	2,359,687	0	0	0	0	0	0	5,049,113
Outbound Baggage and Storage	7,502,764	0	548,391	3,924,405	3,924,405	0	0	0	0	0	0	8,397,202
Other Public Areas	23,383,927	0	1,709,176	12,231,227	12,231,227	0	0	0	0	0	0	26,171,630
Support Areas	6,542,709	0	478,219	3,422,238	3,422,238	0	0	0	0	0	0	7,322,695
Total Estimated Terminal Building Costs	\$94,264,883	\$0	\$6,890,000	\$49,306,311	\$49,306,311	\$0	\$0	\$0	\$0	\$0	\$0	\$105,502,623
Airside Apron Expansion - North (Deicing)	7,259,438	354,612	0	7,758,262	0	0	0	0	0	0	0	8,112,875
Airside Apron Expansion - South (Expansion)	9,117,740	445,388	9,192,694	0	0	0	0	0	0	0	0	9,638,082
Subtotal Terminal Area Capital Costs	\$110,642,062	\$800,000	\$16,082,694	\$57,064,574	\$49,306,311	\$0	\$0	\$0	\$0	\$0	\$0	\$123,253,579
<u>OTHER NON-TERMINAL CAPITAL PROJECTS</u>												
Runway/Taxiway Improvements	\$67,249,070	\$849,070	\$1,378,000	\$674,160	\$0	\$0	\$4,297,258	\$6,323,108	\$20,840,966	\$33,540,929	\$20,728,294	\$88,631,785
Terminal/Cargo Apron Improvements	25,572,822	4,772,822	0	0	925,846	11,920,272	12,277,881	0	0	0	0	29,896,821
Terminal Building Improvements	3,222,457	2,222,457	1,060,000	0	0	0	0	0	0	0	0	3,282,457
Roadway and Parking Improvements	4,979,671	4,979,671	0	0	0	0	0	0	0	0	0	4,979,671
General Aviation Facility Improvements	28,657,600	1,657,600	27,560,000	0	0	0	0	0	0	1,341,637	0	30,559,237
Pavement Maintenance/Markings	3,350,000	0	901,000	561,800	0	0	613,894	0	0	1,341,637	690,943	4,109,274
Equipment	3,750,000	750,000	1,060,000	0	0	1,192,027	0	0	0	1,341,637	0	4,343,664
Other Improvements	8,257,111	2,157,111	2,226,000	0	0	4,768,109	0	0	0	0	0	9,151,220
Total Other Non-Terminal Project Costs	\$145,038,731	\$17,388,731	\$34,185,000	\$1,235,960	\$925,846	\$17,880,409	\$17,189,033	\$6,323,108	\$20,840,966	\$37,565,840	\$21,419,237	\$174,954,131
Total Terminal and Other Capital Project Costs	\$255,680,793	\$18,188,731	\$50,267,694	\$58,300,534	\$50,232,158	\$17,880,409	\$17,189,033	\$6,323,108	\$20,840,966	\$37,565,840	\$21,419,237	\$298,207,710

TERMINAL AREA AND OTHER NON-TERMINAL PROJECTS

SUMMARY OF FUNDING SOURCES

		AIP	AIP						Cash	
		Entitlement	Discretionary/	CARES	Total			NDAC Grants/	Reserves/	
	Total	and BIL-AIG	BIL-ATP	Development	Federal	PFC	PFCs	Prairie Dog	Net Op	Total
CAPITAL PROJECTS FUNDING SOURCES	Costs	Funding	Funding	Funding	Funding	Debt	(PAYG)	Fund	Cash Flow	Funding
<u>TERMINAL AREA PROJECT</u>										
Terminal Building Expansion/Rehabilitation	\$105,502,623	\$14,862,619	\$20,000,000	\$0	\$34,862,619	\$25,000,000	\$3,500,000	\$5,275,131	\$36,864,872	\$105,502,623
Apron Expansions	17,750,956	0	15,975,861	0	15,975,861	0		887,548	887,548	17,750,956
Subtotals - Terminal Area	\$123,253,579	\$14,862,619	\$35,975,861	\$0	\$50,838,480	\$25,000,000	\$3,500,000	\$6,162,679	\$37,752,420	\$123,253,579
<u>OTHER NON-TERMINAL CAPITAL PROJECTS</u>										
Runway/Taxiway Improvements	\$88,631,785	\$18,479,087	\$58,678,413	\$849,070	\$78,006,570	\$0	\$4,286,528	\$4,286,528	\$2,052,160	\$88,631,785
Terminal/Cargo Apron Improvements	29,896,821	5,916,259	16,695,341	2,772,822	25,384,421	0	1,209,908	3,256,200	46,292	29,896,821
Terminal Building Improvements	3,282,457	0	0	2,222,457	2,222,457	0	0	0	1,060,000	3,282,457
Roadway and Parking Improvements	4,979,671	0	0	4,979,671	4,979,671	0	0	0	0	4,979,671
General Aviation Facility Improvements	30,559,237	18,020,000	0	1,657,600	19,677,600	0	0	67,082	10,814,555	30,559,237
Pavement Maintenance/Markings	4,109,274	0	0	0	0	0	0	1,604,137	2,505,137	4,109,274
Equipment	4,343,664	0	0	0	0	0	2,171,832	2,171,832	0	4,343,664
Other Improvements	9,151,220	107,119	0	1,398,264	1,505,383	0	0	4,291,298	3,354,539	9,151,220
Subtotals - Other Non-Terminal Projects	\$174,954,131	\$42,522,464	\$75,373,754	\$13,879,884	\$131,776,102	\$0	\$7,668,268	\$15,677,077	\$19,832,684	\$174,954,131
Totals	\$298,207,710	\$57,385,084	\$111,349,615	\$13,879,884	\$182,614,582	\$25,000,000	\$11,168,268	\$21,839,756	\$57,585,103	\$298,207,710

OVERALL FUNDING SCHEDULE, CASH FLOW AND FINANCIAL FEASIBILITY

Capital Improvement Program	Funding Schedule										Total Funding
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Funds Used for Capital Projects											
AIP Entitlement Grants - Passenger	\$3,280,035	\$3,280,035	\$2,982,610	\$3,076,123	\$3,173,607	\$3,275,229	\$3,380,291	\$3,407,900	\$3,436,680	\$3,466,683	\$32,759,194
AIP Entitlement Grants - Cargo	230,353	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	2,300,353
BIL Airport Infrastructure Grants (AIG)	3,766,182	3,760,000	3,760,000	3,760,000	3,760,000	0	0	0	0	0	18,806,182
AIP Entitlements carryover from the prior years	3,519,355	10,688,806	(61,159)	(88,548)	(1,718,306)	2,041,694	0	0	0	0	3,519,355
AIP Entitlement unspent current year + carryove	(10,688,806)	61,159	88,548	1,718,306	(2,041,694)	0	0	0	0	0	0
AIP Discretionary/BIL Airport Terminal Grants (ATP)	0	8,674,273	7,301,587	20,000,000	7,324,639	9,370,702	2,080,506	15,118,969	26,520,156	14,958,782	111,349,615
CARES Development Grants	13,879,884	0	0	0	0	0	0	0	0	0	13,879,884
North Dakota Aeronautics Grants / Prairie Dog Fund	2,375,000	1,417,548	5,556,031	46,292	5,483,325	1,135,704	316,155	1,042,048	3,085,765	1,381,886	21,839,756
Passenger Facility Charges	1,673,560	1,744,612	1,818,681	1,895,894	1,976,385	2,060,294	2,147,765	2,238,949	2,334,005	2,433,097	20,323,243
PFC beginning year unliquidated balance	0	1,298,560	2,513,172	1,215,605	495,251	163,361	278,650	994,011	1,074,664	(55,444)	0
PFC unspent current year + carryover	(1,298,560)	(2,513,172)	(1,215,605)	(495,251)	(163,361)	(278,650)	(994,011)	(1,074,664)	55,444	(224,990)	(224,990)
ND Legacy Infrastructure Loan Proceeds	0	0	40,000,000	0	0	0	0	0	0	0	40,000,000
Less PFC Funded Debt Service Payments	0	0	(1,116,248)	(1,116,248)	(1,116,248)	(1,116,248)	(1,116,248)	(1,116,248)	(1,116,248)	(1,116,248)	(8,929,984)
Less Airport Funded Debt Service Payments	0	0	(669,749)	(669,749)	(669,749)	(669,749)	(669,749)	(669,749)	(669,749)	(669,749)	(5,357,991)
Tax Levy / State Airline Carrier Tax	1,301,570	1,475,000	1,563,500	1,610,405	1,658,717	1,708,479	1,759,733	1,812,525	1,866,901	1,922,908	16,679,737
Projected Net Operating Cash Flow	2,592,969	7,471,114	4,159,601	3,276,134	3,193,997	3,410,204	3,641,841	3,889,958	4,155,677	4,440,197	40,231,692
Funds Available Current Year	20,631,542	37,587,935	66,910,970	34,458,964	21,586,563	21,331,019	11,054,933	25,873,700	40,973,296	26,767,122	307,176,045
Funds Carried Over from Prior Year	37,443,417	39,886,228	27,206,469	35,816,906	20,043,713	23,749,867	27,891,854	32,623,679	37,656,413	41,063,868	37,443,417
Funds Used Current Year	(18,188,731)	(50,267,694)	(58,300,534)	(50,232,158)	(17,880,409)	(17,189,033)	(6,323,108)	(20,840,966)	(37,565,840)	(21,419,237)	(298,207,710)
Funds Carried Over to Next Year	\$39,886,228	\$27,206,469	\$35,816,906	\$20,043,713	\$23,749,867	\$27,891,854	\$32,623,679	\$37,656,413	\$41,063,868	\$46,411,753	\$46,411,753
Estimated Debt Service Coverage >>	-	-	4.22x	3.80x	3.82x	4.02x	4.23x	4.45x	4.68x	4.93x	
Estimated Days Unrestricted Cash on Hand >>	2,003	1,339	1,648	903	1,004	1,145	1,300	1,457	1,542	1,692	

SUMMARY OF OPERATING AND CAPITAL CASH FLOWS

	Estimated	Budgeted	Projected							
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Passenger Enplanements	423,579	441,562	460,309	479,852	500,224	521,461	543,600	566,679	590,738	615,818
Annual Growth Rates	-	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
Operating Cash Flow										
Revenues:										
Airline Revenues	\$2,180,207	\$2,359,373	\$2,491,165	\$2,563,642	\$2,638,246	\$2,715,039	\$2,794,086	\$2,875,453	\$2,959,209	\$3,045,425
Non-Airline Revenues	6,282,827	7,453,835	7,875,560	8,235,482	8,615,234	9,013,684	9,433,081	9,874,643	10,339,663	10,829,516
Non-Operating Revenues	1,396,567	5,075,075	1,725,075	575,075	575,075	575,075	575,075	575,075	575,075	575,075
Total Revenues	\$9,859,601	\$14,888,283	\$12,091,800	\$11,374,200	\$11,828,555	\$12,303,798	\$12,802,242	\$13,325,171	\$13,873,947	\$14,450,015
Operating Expenses	(7,266,632)	(7,417,169)	(7,932,199)	(8,098,065)	(8,634,557)	(8,893,594)	(9,160,402)	(9,435,214)	(9,718,270)	(10,009,818)
Total Net Operating Cash Flow Available										
For Capital Expenditures	\$2,592,969	\$7,471,114	\$4,159,601	\$3,276,134	\$3,193,997	\$3,410,204	\$3,641,841	\$3,889,958	\$4,155,677	\$4,440,197
Capital Cash Flow										
Beginning Cash Balance	\$37,443,417	\$39,886,228	\$27,206,469	\$35,816,906	\$20,043,713	\$23,749,867	\$27,891,854	\$32,623,679	\$37,656,413	\$41,063,868
Other Capital Funding Sources:										
AIP Entitlement Grants - Passenger	\$3,280,035	\$3,280,035	\$2,982,610	\$3,076,123	\$3,173,607	\$3,275,229	\$3,380,291	\$3,407,900	\$3,436,680	\$3,466,683
AIP Entitlement Grants - Cargo	230,353	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000
BIL Airport Infrastructure Grants (AIG)	3,766,182	3,760,000	3,760,000	3,760,000	3,760,000	0	0	0	0	0
AIP Entitlements carryover from the prior years	3,519,355	10,688,806	(61,159)	(88,548)	(1,718,306)	2,041,694	0	0	0	0
AIP Entitlement unspent current year + carryover	(10,688,806)	61,159	88,548	1,718,306	(2,041,694)	0	0	0	0	0
AIP Discretionary/BIL Airport Terminal Grants (ATP)	0	8,674,273	7,301,587	20,000,000	7,324,639	9,370,702	2,080,506	15,118,969	26,520,156	14,958,782
CARES Development Grants	13,879,884	0	0	0	0	0	0	0	0	0
North Dakota Aeronautics Grants / Prairie Dog Fund	2,375,000	1,417,548	5,556,031	46,292	5,483,325	1,135,704	316,155	1,042,048	3,085,765	1,381,886
Passenger Facility Charges	1,673,560	1,744,612	1,818,681	1,895,894	1,976,385	2,060,294	2,147,765	2,238,949	2,334,005	2,433,097
PFC beginning year unliquidated balance	0	1,298,560	2,513,172	1,215,605	495,251	163,361	278,650	994,011	1,074,664	(55,444)
PFC unspent current year + carryover	(1,298,560)	(2,513,172)	(1,215,605)	(495,251)	(163,361)	(278,650)	(994,011)	(1,074,664)	55,444	(224,990)
ND Legacy Infrastructure Loan Proceeds	0	0	40,000,000	0	0	0	0	0	0	0
Less PFC Funded Debt Service Payments	0	0	(1,116,248)	(1,116,248)	(1,116,248)	(1,116,248)	(1,116,248)	(1,116,248)	(1,116,248)	(1,116,248)
Less Airport Funded Debt Service Payments	0	0	(669,749)	(669,749)	(669,749)	(669,749)	(669,749)	(669,749)	(669,749)	(669,749)
Tax Levy / State Airline Carrier Tax	1,301,570	1,475,000	1,563,500	1,610,405	1,658,717	1,708,479	1,759,733	1,812,525	1,866,901	1,922,908
Total Other Capital Funding Sources	\$18,038,573	\$30,116,821	\$62,751,369	\$31,182,830	\$18,392,566	\$17,920,816	\$7,413,093	\$21,983,742	\$36,817,619	\$22,326,925
Total Funds Available for Capital Expenditures	58,074,959	77,474,163	94,117,440	70,275,870	41,630,276	45,080,887	38,946,787	58,497,378	78,629,709	67,830,990
Capital Improvement Program Expenditures	18,188,731	50,267,694	58,300,534	50,232,158	17,880,409	17,189,033	6,323,108	20,840,966	37,565,840	21,419,237
Ending Cash Balance	\$39,886,228	\$27,206,469	\$35,816,906	\$20,043,713	\$23,749,867	\$27,891,854	\$32,623,679	\$37,656,413	\$41,063,868	\$46,411,753

COMPARATIVE STATISTICS (ESTIMATED)

	Current 2022	Post-Pandemic 2026	End of Planning Period 2031
Operating Expenses per Enplaned Passenger			
Hector International Airport	\$17.16	\$17.26	\$15.70
Small-Hub Average	\$29.54	\$29.33	\$29.08
Total Operating Revenues per Enplaned Passenger			
Hector International Airport	\$19.98	\$22.50	\$22.53
Small-Hub Average	\$34.45	\$34.21	\$33.91
Airline Cost per Enplanement			
Hector International Airport	\$5.34	\$5.27	\$4.95
Small-Hub Average	\$10.09	\$10.03	\$9.95

2021 FAA defined airport hub size classifications:
 Small Hub – Enplanements between approximately 327,000 and 1,637,000
 Non Hub – Enplanements between 10,000 and approximately 327,000



Summary of Findings

- The proposed funding plan for the terminal expansion/rehabilitation and the other projects in the Capital Improvement Program is financially reasonable
- Maintains a prudent minimum cash balance
 - Two years of operations and maintenance expenses plus
 - One year of debt service obligations
 - Planned savings for anticipated future large capital projects or possible shortfall in future discretionary grant awards
- Results in acceptable levels of debt service coverage
- Allows for continuation of the Airport's other development projects and initiatives
- Financial operating statistics indicate a very cost efficient and sound financial condition



Summary of Assumptions

- Implementation of the financial plan relies on:
 - Securing FAA AIP Discretionary and BIL/ATP Grant funds as programmed
 - Achievement of the aviation activity and passenger forecast
 - Ability to secure debt in the amount and on the terms anticipated
 - Approval of a new PFC application to fund the PFC Bond Capital and PFC Pay Go needs
- If these assumptions are not realized, the Airport would have to:
 - Find alternative/replacement funding
 - Reduce project costs through value engineering, removing or delaying certain elements of the project; and/or delaying or cancelling entire projects



Questions and Comments